



Department of Justice

FOR IMMEDIATE RELEASE
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ESTIMATOR FOR NEW JERSEY CONSTRUCTION COMPANY INDICTED
FOR WIRE FRAUD

WASHINGTON, D.C. -- A federal grand jury yesterday indicted a New Jersey construction company estimator for participating in a scheme to deprive the City of Sioux Falls, South Dakota of its right to free and open competition for a water main cleaning and relining contract in 1996, the Department of Justice announced.

The one-count indictment, filed today in U.S. District Court in Rapid City, South Dakota, charges Andrew J. Vena of Stockton, New Jersey with wire fraud.

According to the charges, Vena, a former estimator for Creamer Brothers Inc. of Hackensack, New Jersey, devised a scheme to submit a noncompetitive rigged bid to the City of Sioux Falls. In return he was to receive a \$10,000 payment from a competitor if that competitor was awarded the contract to perform the work.

Vena was charged with wire fraud in connection with making an interstate telephone call to the other competitor to carry out the scheme.

Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division, said, "Federal, state and local governments go to great lengths to ensure that they are receiving the best possible product at the best possible price through the free market system. This case is part of the Division's ongoing

effort to prosecute those who would attempt to subvert any government entity's right to free and open competition."

Water main cleaning and lining is a quick and relatively inexpensive process used by some municipalities to clean out rust and sediment from water mains and line the mains with cement to prevent further rust and deposits from developing. The process allows municipalities to improve the quality of water provided to households and increases the water pressure to homes and fire hydrants without replacing water mains.

The investigation was conducted by the Antitrust Division's Chicago Field Office and the Federal Bureau of Investigation, with assistance from the City of Sioux Falls and Karen E. Schreier, U.S. Attorney for South Dakota.

According to Klein, the investigation into the water main cleaning and relining industry is continuing.

The maximum penalty for an individual convicted of wire fraud is a term of five years imprisonment and a fine which is the greatest of \$250,000, twice the gross pecuniary gain derived from the crime, or twice the gross pecuniary loss caused to the victim of the crime.

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